

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6375

BILL NUMBER: HB 1062

NOTE PREPARED: Jan 29, 2013

BILL AMENDED: Jan 28, 2013

SUBJECT: Storm Water Fees.

FIRST AUTHOR: Rep. Bacon

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that, subject to the approval of the county executive or the fiscal body of a municipality, the board of directors of a department of storm water management (board) may exempt property from the assessment of and collection of storm water fees from the following persons who have assessed value deductions:

- (1) a person who is at least age 65;
- (2) a person who is blind or disabled;
- (3) a person who is a veteran with a partial disability; or
- (4) a person who is a totally disabled veteran or a partially disabled veteran at least age 62.

It requires the board to establish a procedure to apply for the exemption.

The bill also provides that a board may not grant such exemptions if, during the previous fiscal year, the district's expenses for operation and maintenance exceeded the revenue obtained from storm water fees.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill will not affect the total collections for storm water management. However, the bill could shift taxes from elderly, blind, or disabled homeowners to other homeowners who do not receive a property tax deduction within the storm water management district.

Background: (Revised) The 2011 State Board of Accounts report index shows audit reports for 26 storm water utilities. It is estimated that 10 of the storm water utilities would not have been able to offer these exemptions based on 2011 utility fees and expenses.

In 2011 Pay 2012, there were 183,959 elderly, blind, or disabled property tax deductions taken. Additionally, there were 53,144 property tax deductions taken for veterans with partial or total disability [Some taxpayers qualified for both deductions. The number provided is the unique instances only.]

There are no data available to indicate the location of the tax deduction recipients within or outside of the existing storm water utility taxing districts.

State Agencies Affected:

Local Agencies Affected: Storm water utilities.

Information Sources: State Board of Accounts, 2011 audit report filings.

Fiscal Analyst: Karen Firestone, 317-234-2106; Bob Sigalow, 317-232-9859.